

MINUTES

BOARD OF REGENTS' MEETING

May 16, 2013

I. CALL TO ORDER

Chair Eric K. Martinson called the meeting to order at 9:16 a.m. on Thursday, May 16, 2013, at University of Hawai'i at Mānoa, Campus Center Ballroom, 2465 Campus Road, Honolulu, Hawai'i 96822.

Quorum (15): Chair Eric K. Martinson; Vice Chair, Carl A. Carlson; Vice Chair, James H.Q. Lee; Jeffrey T. Acido; Artemio C. Baxa; John C. Dean; Chuck Y. Gee; John C. Holzman; Benjamin A. Kudo; Coralie Chun Matayoshi; Barry Mizuno; Randy Moore; Saedene K. Ota; Tom Shigemoto; and Jan Sullivan.

Others in Attendance: President M.R.C. Greenwood, Ph.D.; Executive Vice President for Academic Affairs/Provost, Linda Johnsrud, Ph.D.; Vice President for Community Colleges, John Morton, Ph.D.; Vice President for Legal Affairs and University General Counsel/Acting Executive Administrator and Secretary of the Board of Regents, Darolyn H. Lendio, Esq.; Vice President for Budget and Finance/Chief Financial Officer, Howard Todo; Vice President for Research, James Gaines, Ph.D.; Vice President for Information Technology and Chief Information Officer, David Lassner, Ph.D.; Associate Vice President for Student Affairs, Lui Hokoana, Ed.D.; Associate Vice President for External Affairs and University Relations, Lynne Waters; UH Mānoa Chancellor, Thomas Apple, Ph.D.; UH Hilo Chancellor, Donald Straney, Ph.D.; UH West O'ahu Chancellor, Rockne Freitas, Ed.D.; Hawai'i Community College Chancellor, Noreen Yamane; Honolulu Community College Chancellor, Erika Lacro; Leeward Community College Chancellor, Manuel Cabral; Windward Community College Chancellor, Douglas Dykstra; and others as noted.

Chair Martinson acknowledged the presence of Regent appointee, Eugene Bal III, who begins his new term on July 1, 2013. Chair Martinson also recognized Regent Randy Moore, who was attending his first full meeting after filling the vacant At-Large spot, and Regent Barry Mizuno, who was reappointed to another five-year term as a Regent.

Chair Martinson also congratulated Regent Artemio Baxa, whose term was ending on June 30, 2013.

Regent Baxa thanked the Chair and the Board, and President Greenwood. He also noted possible successors for the next President of the University, including Regents Gee and Holzman, and Executive Vice President for Academic Affairs/Provost, Linda Johnsrud. Communication with the community, faculty, Legislature, and Governor is important.

Chair Martinson also noted that the Executive Session will include a discussion on the next steps for the Board to find a successor for President Greenwood. He thanked

President Greenwood for her service to the University and acknowledged her accomplishments. It has been a challenging year, but her contributions to the University were meaningful and will leave the University in a better place.

II. APPROVAL OF MINUTES OF THE APRIL 18, 2013 MEETING

Vice Chair Lee moved and Regent Gee seconded the motion, and the April 18, 2013 meeting minutes were unanimously approved.

III. PUBLIC COMMENT PERIOD

Acting Secretary Lendio announced that one person signed up to present oral testimony.

1. J.N. Musto, Executive Director of UHPA, testified on the agenda item on the Recap of the Legislative Session. He spoke about the oversight of the Legislature to appropriate \$23 million to support the negotiated agreement between UHPA and the Board of Regents for salary increases for the 2013-2015 Biennium Budget. He asked that the Board partner with UHPA with respect to advocacy on behalf of the University in both community and legislative venues.

Acting Secretary Lendio said that Dr. Musto also submitted written testimony.

IV. ELECTION OF BOARD OFFICERS

Chair Martinson said that due to a recent bill that Governor Abercrombie signed, the election of the Board officers would be deferred to the first Board meeting following June 30. However, one of the provisions under the new law allows for one or more Vice Chairs. He asked the Board give guidance to the nominating task group to determine how many Vice Chairs to consider for the upcoming elections. Currently there are two Vice Chairs.

Regent Gee voiced his preference to have two Vice Chairs.

Regent Holzman said that having two Vice Chairs allows the Board to have one Vice Chair from the Neighbor Islands.

Chair Martinson said that the guidance to the nominating task group is to move forward with two Vice Chairs.

V. REPORT OF THE PRESIDENT

President Greenwood presented her monthly report.

President Greenwood thanked Chair Martinson and Regent Baxa for their kind words. It has been a privilege to serve as the President of the University of Hawai'i. The commencement season was just completed and UH should be proud of the record numbers of students graduating and the wonderful stories that the UH's student speakers had about their experiences at the University of Hawai'i on all of its campuses.

UH Hilo Wins U.S. Imagine Cup: UH Hilo received national recognition for winning the 2013 U.S. Microsoft Imagine Cup championship. The winning team included Mike Purvis, Kayton Summers, Wallace Hamada and Ryder Donahue from UH Hilo's Computer Science Department. Their winning application was entitled "Help Me Help", which focused on community involvement in disaster relief efforts. UH Hilo's team now advances to the world competition in St. Petersburg Russia. There were approximately 500 entries from across the U.S. this year.

President Greenwood played a short video.

Hokule'a Worldwide Voyage Partnership: The University and the Polynesian Voyaging Society (PVS) celebrated the University's support of PVS' upcoming Worldwide Voyage at a reception at the UH Cancer Center on May 13. UH is honored to be the educational partner for the Worldwide Voyage, which will take Hokule'a and its crew to 28 countries and 62 ports during its 2013-14 voyage of Hawai'i, and its 2014-15 voyage of the Pacific.

Master Navigator, Nainoa Thompson, who volunteers as a special advisor to President Greenwood, has given generously of his time and expertise.

Much of UH's responsibilities will center on communications networking to let the world know about this history-making event.

Western Association of Schools & Colleges (WASC) Visit: A WASC Special Team visit occurred last week. The Chair of the visiting team, George Pernsteiner, and WASC leader Ralph Wolff interviewed the Governor, legislators, some of the Regents, and other selected officials as well as some of the administration.

They will reflect on what they found and will share that information at the June meeting of the WASC board and UH will probably receive a letter commenting on their observations. The general impression was that they were deeply concerned, particularly about the number of provisos in this year's budget and the fact that the University's independence was in question.

Pāalamanui Campus: UH expects to break ground on its new Hawai'i Community College, Palamanui campus in West Hawai'i on May 28. The campus will support about 700 students and will be an extension of Hawai'i CC.

The first phase of construction will include Pāalamanui's Culinary Arts Building, the Health and Science and Student Services Buildings, covering about 24,000 square feet. There will be new classrooms, learning kitchens and science laboratories to service the Culinary Arts, Nursing, and Allied Health programs, as well as the Student Services Administration.

Legislative Wrap

President Greenwood thanked the Regents who appeared before lawmakers and helped UH this session, both at informal meetings and at hearings where some of them testified on behalf of the University. The Regents' involvement and participation this session made a big difference. She also thanked the Vice Presidents, external affairs staff and budget director for their extraordinary work both behind the scenes and at formal proceedings. Overall, the outcome was basically slightly positive with the exception of the last minute problem with the UHPA contract not being funded.

Campus Highlights

UH West O'ahu: Rockne Freitas took over as Chancellor of UH West O'ahu on May 1. President Greenwood wished the best for Chancellor Freitas, and thanked outgoing Chancellor Gene Awakuni for his dedication and many years of exceptional service.

The National Council for Accreditation of Teacher Education accreditation board granted accreditation to UH West O'ahu's Education Division this month.

Hawai'i Community College: Students just designed and built another new home in Hilo. It is the 46th home built by Hawai'i CC students since the campus launched its Model Home Program in 1965. Since then, more than 2,700 students have participated in the program and gained valuable, hands-on, on-the-job experience.

More than 70 Hawai'i students worked on this latest home. They came from a wide range of programs, including drafting, carpentry, electrical, agriculture, welding and diesel mechanics. Hawai'i CC students will start working on home number 47 in the fall.

Windward Community College: Windward Community College Chancellor Doug Dykstra proved he's a man of his word. He pledged to shave his head if Windward CC raised 7,000 pounds of food or dollars for the school's 2013 food drive for Foodbank Hawai'i. The college's 2,800 students, faculty and staff easily surpassed that goal, raising \$9,000 and two tons of food. The collection tripled last year's total.

Report of the Host Campus

UH Mānoa Chancellor, Tom Apple, noted UH Mānoa's Academic Ranking of World Universities (ARWU) ranking of 101-150, including a ranking of 54-67 in the United States. Schools that are not in the ARWU top 150 are University of Miami, Oregon State University, University of Oregon, Notre Dame, Iowa State University, Brandeis, and Florida State University.

He also pointed out UH Mānoa's federal funding ranking of No. 46.

UH Mānoa is increasing its academic engagement by analyzing data and surveys to determine critical success factors and to identify impediments to success; providing students with tools and guidance to plot their path; and taking the right 15 to Finish credits. Chancellor Apple spoke about UH Mānoa's advising initiatives, guidance on students' majors, first-year programs, STAR premier registration, course pressure points

and the decrease in unsuccessful registrations, and other key initiatives. This year, UH Mānoa will increase its financial aid to 19 percent of tuition that it collects.

Regarding athletics and the upcoming agenda item to address UH Mānoa Athletics Department's deficit, Chancellor Apple said that the \$13 million debt is a paper debit – there are no creditors and no one is owed any money. The Mānoa campus has paid these bills over the last decade. The campus will move the debit from the Athletics account to the UH Mānoa Chancellor's Office and use non-academic sources such as interest income and working capital to 'pay this off' over time. No tuition dollars will be used, but UH Mānoa believes student support for Athletics should come about through the transparent discussion of determining a student athletic (or event) fee, not through general tuition. Chancellor Apple also said that UH Mānoa has a sizeable surplus.

President Greenwood said that C-MORE Director, David Karl, recently won the prestigious National Academy of Science's Alexander Agassiz Medal, the most distinguished award in the nation, and possibly the world, for work in Oceanography.

Regent Holzman asked about UH Mānoa's initiatives and their impact on the graduation rate. Chancellor Apple said that the four-year graduation rate is 19 percent, which is very poor. He believes that can be doubled in five years. The six-year graduation rate is 57 percent, which is on par with other public institutions. President Greenwood said that the federal government counts only first-time freshmen who graduate from the same institution in the graduation rate. A system such as UH, which promotes its community colleges, is penalized because those students who transfer from within the system are not counted in the graduation rates. It is an active debate in higher public education.

Regent Sullivan asked about Chancellor Apple's thoughts on the issue of affordability standing in the way of graduating on time. Chancellor Apple said that UH Mānoa is giving about \$33 million in various forms of financial aid from its tuition revenues. UH Mānoa lost about \$50 million in general funds, and brings in about \$160 million in tuition. The trend of decreasing state support and increasing tuition revenues will likely continue. UH Mānoa can think about strategies that allow for those who can afford to pay full tuition to do so, while subsidizing tuition for those who can't afford to pay.

Regent Holzman asked about the federal student loan rate increase to 6.8 percent on July 1. UH Mānoa Vice Chancellor, Francisco Hernandez, said that the federal government will increase the interest rates on loans to graduate students to 6.8 percent and try to hold steady on the rates for undergraduate students.

Regent Ota asked if there is a formal opportunity for students to provide feedback on their educational experience. UH Mānoa Vice Chancellor, Reed Dasenbrock, said that the campus does survey students before they graduate. Chancellor Apple said that UH Mānoa participates in the National Survey of Student Engagement.

VI. REPORT OF THE UNIVERSITY OF HAWAI'I FOUNDATION

University of Hawai'i Foundation (UHF) President, Donna Vuchinich, reported that as of March 31, 2013, UHF received \$48.9 million toward its \$56 million annual goal. As of May 15, 2013, UHF received \$52.96 million.

UHF President Vuchinich presented information on the revenue breakdown of what is generated by athletics booster clubs, Na Koa Football Club and 'Ahahui Koa Ānuenue (AKA). Since fiscal year 2000, the total raise for Mānoa Athletics was \$56.7 million, an average of \$4.4 million per year. Fundraising for athletics has improved significantly. In the last five full years, the average has increase to \$6.2 million a year.

There are four main categories of funds raised for UH Mānoa Athletics: AKA Activities (Premium Seat Donations, Parking, Events, and Outright and Planned Gifts), Na Koa Activities (Membership, Parking, Events, and Outright Gifts), Other Booster Club Activities (Membership, Events, and Outright Gifts), and Other Fundraising Activities (Planned Gifts, Events, and Outright Gifts). There are 44 endowment accounts (40 are scholarships) and 115 expendable accounts (21 are scholarships).

UH Hilo raises about 8 to 10 percent of UHF funds at UH Hilo overall.

UHF President Vuchinich said that she was invited to join the national committee of the Council of Advancement and Support of Education (CASE).

Regent Ota asked how closely UHF works with AKA regarding strategically raising large donations. UHF President Vuchinich said that the planned giving staff works with the athletic department to present fund-giving seminars prior to events. UHF also works with the athletics director or an AKA board member. Many times, the gift comes from a donor's advisor. Regent Ota asked if there is a need for more collaboration. UHF President Vuchinich said that there is no doubt there needs to be more collaboration.

Regent Holzman said that there is a provision in the proposed policy regarding athletics that involved the UHF. The Task Group spoke to the boosters, who were hoping to have more of an entrepreneurial approach to fundraising. UHF President Vuchinich said that a Memorandum of Agreement is under revision. Due to NCAA guidelines, maintaining institutional control is critical for private support. Chancellor Apple said that they are close to an agreement.

Regent Holzman said that it must be clear to the donors where the money is going.

VII. ITEMS FOR BOARD ACTION – PART A

Board of Regents

Approval of Recommendations by the Task Group on Intercollegiate Athletics regarding Proposed Amendments to Board of Regents' Policy, Chapter 7, Section 7-8: Intercollegiate Athletics; Board of Regents' Bylaws regarding a new Committee on Intercollegiate Athletics; and Board of Regents' Policy, Chapter 6, Section 6-8b, related to Board Exemptions to Non-Resident Tuition, and Report on a Proposed Process to Reconcile the Athletics Department's Accumulated Deficit

The chair of the Task Group, Regent Holzman, said that the proposal is almost the same as the one that was presented to the Board at the March 21, 2013 meeting. One provision was changed to enable the two campuses that have intercollegiate athletics programs – UH Mānoa and UH Hilo – the flexibility to value, for budgetary purposes, scholarships to out-of-state or non-resident students athletes at the in-state tuition rate. It is a common practice in other states. To allow it, the Task Group proposed that Board of Regents policy, Chapter 6, Section 6-8, be changed to add c.: "With the written approval of the Chancellor, campuses may for those nonresident students whose special talents and/or unique skills will make a significant contribution to campus life, exempt the nonresident portion of tuition. If instituted, the total number of exemptions granted in any given year should be established in accordance with the campus's strategic enrollment management goals, not impede access to higher education for resident students, not exceed two percent of campus enrollment in any given year, and be reviewed/promulgated on a biennial basis." The provision applies systemwide, but the Task Group anticipates that the provision would be used by the non-UH Mānoa and UH Hilo campuses very sparingly.

The second part of the proposal amends the Board bylaws to create a new Committee on Intercollegiate Athletics. A Committee will allow the Board to exercise greater oversight and to have a clear and defined portal into the Board of Regents for the two intercollegiate athletics programs at UH. The Association of Governing Boards recommends having a Committee with a defined role of looking at intercollegiate athletics.

Regent Ota, a member of the Task Group, said that in formulating the revised policy, Regent Holzman ensured that the Task Group listened to the major stakeholders, who all had significant input in crafting the proposed policy. The new Committee will also be an improvement to the Board's structure regarding oversight of intercollegiate athletics.

Regent Matayoshi asked for clarification about where the scholarships are budgeted. Vice Chancellor Hernandez explained that scholarships for tuition for athletes are paid from the return-to-aid from general tuition funds. Regent Matayoshi asked how the UHF endowed scholarships are applied. UHF President Vuchinich explained that earnings from those endowments are transferred over to financial aid, and they are applied toward the students' tuition. UHF works with athletics and financial aid.

Regent Moore asked if the number of scholarship dollars would go farther if the out-of-state athletes' scholarships are valued at the in-state rate. Regent Holzman said that

the number of athletics scholarships that an institution can grant is determined by the NCAA. The change will affect the nominal value of the scholarships.

Chancellor Apple said that UH Mānoa gives a certain amount of money to the athletics department for financial aid. Currently, it costs more for an out-of-state student-athlete than one from Hawai'i. The proposed policy will result in a \$16,000 savings per out-of-state student for the athletics department.

Vice Chair Lee asked if the reclassification change will help to reduce the athletics department's deficit. Chancellor Apple said that it has the potential to do so, because the financial aid money will go farther.

Chancellor Apple said that he was putting a \$1.2 million investment in the core staff of athletics, who are currently funded off of temporary funds. Recently, general funds for the athletics department have fallen dramatically.

Along with good accounting controls and changes to summer camps by Athletics Director, Ben Jay, the above mentioned initiatives should help to put the program in the black. However, even with those investments, due to the additional expenses that UH Mānoa has compared to other programs, that it is as competitive as it would like to be. The athletics department needs more investment from its community and supporters. He is looking forward to the new collaboration between AKA and UHF, and perhaps support from the Hawai'i Tourism Authority and Stadium Authority.

Regent Gee gave his full support for the proposed Committee on Intercollegiate Athletics. The problems have existed for a while, and until they were brought to the attention of the Board, there wasn't much attention paid to it except at the campus level.

Regent Gee asked about the proposed polity that grants in-state tuition to students with "special talents and/or unique skills that will make a contribution to campus life." That tuition exemption can be interpreted in a number of ways. Chancellor Apple said that he is excited about the proposal, because he sees opportunities to bring in gifted musicians, increasing international recruitment by partnering with institutions in other countries, and using the policy as a gateway, and recruiting graduate students in the humanities. Regent Gee said that if that is the intent, then he is enthusiastic about the policy proposal. Regent Holzman said that is the intent, but in the case of UH Mānoa and UH Hilo, the primary purpose of the provision is athletics. There is a cap on the total number of exemptions granted that is not to exceed two percent of the campus enrollment in any given year.

Regent Mizuno asked what impact, if any, the proposals would have on the athletics departments' profit and loss. Chancellor Apples said that bringing in a gifted student from out-of-state will lead to a decrease in the money that UH Mānoa is able to collect, which is why the policy has to be used sparingly. In regards to student-athletes, it doesn't really affect the bottom line because UH Mānoa is already paying for their tuition.

Regent Matayoshi noted a recommendation in the proposal on setting the salaries of coaches that might command a salary of more than \$500,000. The recommendation is that the Chancellor, through the President, recommend for Board approval in executive

session, prior to beginning a search, a salary range for coaching positions. HB 200, Section 130, requires that the Board of Regents approve salaries equal to or more than the salary of the Governor, which would apply to the recommendation. Not only would the Board approve the range, it would approve the actual salary.

Regent Holzman said that there was no course of action recommended in the proposal – rather the issue was pointed out and the matter deserves further scrutiny by the Committee on Intercollegiate Athletics in consultation with the Committee on Personnel Affairs.

Regent Sullivan said that the Board should not be adopting revisions if there are potential legal issues on the validity of what the Regents are doing given the legislation passed this session. Her concern is that the Board is setting a process for approval of salaries. Regent Holzman said that the proposal doesn't include approving salaries; instead it recommends coming up with a strategy to address large salaries. Regent Sullivan said that she misunderstood the issue.

Regent Shigemoto said that the intent of the Task Group was to level the playing field and help the athletics departments compete. He encouraged the Regents to help the athletics department get a fresh start, and asked for their support.

Regent Shigemoto moved and Regent Sullivan seconded the motion, and the recommendations by the Task Group on Intercollegiate Athletics regarding Proposed Amendments to Board of Regents' Policy, Chapter 7, Section 7-8: Intercollegiate Athletics; Board of Regents' Bylaws regarding a new Committee on Intercollegiate Athletics; and Board of Regents' Policy, Chapter 6, Section 6-8b, related to Board Exemptions to Non-Resident Tuition were unanimously approved.

Chair Martinson thanked the Task Group for their work.

Regent Shigemoto noted that former Executive Administrator and Secretary of the Board of Regents, Keith Amemiya, also served on the Task Group.

Status Report on Operational and Financial Controls Improvement Advisory Task Group's Operational Assessment Phase

Advisory Task Group (ATG) Chair, Larry Rodriguez, presented the status update. The ATG presented to the Committee on University Audits earlier that morning. Two reports – a Summary Report on Board of Regents' Interviews and Report on Legislation Introduced Affecting the University of Hawai'i System Level Operations – were approved by the Committee, along with a status update dated May 2.

The Report on Legislation was a part of the support for the position that the Regents took with respect to the legislation. The ATG was to provide additional information to the Regents and use the information for the finalization of its report. Some of the legislation that the ATG looked at did pass, so the ATG will look at the impact of the legislation as it finalizes its report.

The Summary Report on the Board of Regents' Interviews is information obtained after speaking to each Regent. The ATG asked the Regents 20 questions and summarized the input from those meetings in the report.

One of the significant issues that came out of the discussions with the Regents was the fact that the public perception of the Regents' roles and responsibilities differ from the Regents' view of their roles and responsibilities. As a result, more time needs to be dedicated to inform the public and keep them apprised of what the Regents volunteered to do and the Regents' actual roles and responsibilities.

Another question (What are the most critical issues and challenges facing UH and do you believe there are processes in place to address these areas) raised critical issues and challenges by the majority of the Regents, including re-establishment and restoring trust and credibility among the various constituents and stakeholders; Internal trust needed amongst the Board and between the Board and Administration; Financial accountability and transparency; Challenges to autonomy; and Sunshine laws were noted as a major challenge for effective communication and deliberation. The item related to the Sunshine law dealt primarily with the accumulation of information; the Regents agreed that decision making needs to be a public matter with full disclosures.

Rodriguez also noted that the issue of risk management with respect to accumulating data and reporting on risk management within the University resulted in responses that the risk management process needs to be re-evaluated and further implemented.

The ATG expects to complete all elements of its work plan by June 30.

Chair Martinson thanked the ATG for its work. There is a lot of great opportunity highlighted in the summary reports to improve the way the Board does business. It is a good way to assess the Board's practices to leading practices.

Chair Martinson announced that the agenda would be adjusted.

University of Hawai'i at Mānoa

Approval of the Immediate Building and Final Phase Construction for Ka Papa Lo'i Kānewai Cultural Resource Center

Maenette Benham, Dean of the Hawai'inuiākea School of Hawaiian Knowledge, presented on the item, along with Ka Papa Lo'i 'O Kānewai Director, Makahiapo Cashman, and Professor Kekailoa Perry. Ka Papa Lo'i 'O Kānewai Cultural Resource Center (Kānewai Center) is one of the last remaining agricultural terraces in the vast, natural irrigation network that once connected Mānoa to Waikiki. Kānewai Center was established by the community and University students in 1980. It is the most experienced teaching cultural garden in all of Oceania. It serves Native Hawaiians and non-Hawaiian learners, farmers, researchers, and cultural resource practitioners, through experiential education in a traditional lo'i kalo. There are more than 60 varieties of Native Hawaiian wetland taro, and upwards of 30,000 visitors a year at the Center.

Approval of the final construction stage will support a much-needed construction center, which is less than 2,000 square feet, and will provide an open, covered lanai area that will accommodate educational programs and community meetings; a small workshop area; locked storage; and restrooms.

Hawai'inuiākea recently applied for accreditation by the World Indigenous Nations Higher Education Consortium, and was awarded the top 10 year accreditation. In that report, the site team wrote that, "Ka Papa Lo'i 'O Kānewai is a powerful yet humble articulation of applied Hawaiian knowledge systems and its staff and students are living examples of the mission of the University of Hawai'i at Mānoa and Hawai'inuiākea."

Regent Baxa moved and Vice Chair Carlson seconded the item.

After a discussion about the location of the Kānewai Center, Regent Kudo asked if the architecture of the proposed project is consistent with the design of the current Hawai'inuiākea structures. Dean Benham answered affirmatively, adding that the building was designed by doctorate students at the UH Mānoa School of Architecture. Regent Kudo asked about the sustainability of the building. Dean Benham said that the building is too small to be LEED certified, but it is very green.

With a motion on the floor, the Regents unanimously approved UH Mānoa's request for the Immediate Building and Final Phase Construction for Ka Papa Lo'i Kānewai Cultural Resource Center.

Community Colleges

Approval of Associate in Science (AS) Degree in Natural Science as a Provisional Program

Vice President for Community Colleges, John Morton, said that five years ago when the University made one of its strategic priorities to increase the number of STEM graduates, many of the graduates from the four-year campuses were transferring from the Community Colleges. The traditional transfer degree, the Associate in Arts (AA) degree, was too general to keep students focused in the sciences. Kapi'olani, Leeward, and Maui College already offer the Associate in Science (AS) degree. The request is for Hawai'i, Honolulu, Kaua'i and Windward Community Colleges. The same structure is used for all seven Community Colleges. Having a common curriculum allows the Community Colleges to supplement what happens on the campuses with distance delivered programs from other campuses.

The proposed degrees are not going to generate costs or revenues. It is a restructuring of the degree requirements within the Associate in Arts degree, using the courses that are already being delivered. The number of students that are being targeted is relatively small – about 15 to 20 students, but it would be a significant increase in the number of STEM Bachelor degrees coming out of the small campuses.

Regent Gee moved for approval. He said that the program was designed to help students transfer, but what happens to the students who are not interested in

transferring. VP Morton said that the degree requirements for the AA do not have as much science and math courses as the AS. An AA student can still transfer, but will have to make up the classes when they transfer. The AS helps to focus the student with the transfer criteria.

Regent Holzman asked about the mechanisms in place to ensure the continuity of articulation. VP Morton said that there are several mechanisms in place. For instance, UH Mānoa sees the value of having pre-engineering programs at the Community Colleges, and UH Hilo wants these students. Having a shared vision that STEM is important is the beginning. Then it is about communication and understanding. The Chief Academic Officers are constantly meeting around these issues of transfer and articulation.

Regent Holzman asked if there will be a periodic review of the courses that the students will be taking for assurances of transferability. VP Morton said that they do those reviews all the time to make sure that the students are protected.

Regent Shigemoto seconded the motion.

Regent Matayoshi applauded the Community Colleges' efforts to standardize the STEM curriculum and to use distance learning to achieve economies of scale. She asked whether the courses are as rigorous as what UH Mānoa would offer. VP Morton said that the Community Colleges work closely with the four-year campuses. The key measure is that the transfers do earn their Bachelor degrees. They would not if they were not adequately prepared.

Regent Matayoshi brought up her standing request that the Committee on Academic Affairs vet proposals before they come to the full Board.

With a motion on the floor, Hawai'i, Honolulu, Kaua'i and Windward Community Colleges' request for the approval of Associate in Science (AS) Degree in Natural Science as a Provisional Program was unanimously approved.

Hawai'i Community College

Approval of Conversion of Provisional Program to Established Status for the Certificate of Achievement (CA) and Associate in Sciences (AS) Degree in Fire Science Program

Hawai'i Community College Chancellor, Noreen Yamane, said that up until 2005, Honolulu Community College offered the only Fire Science program within the University. In 2005, Hawai'i Community College began the development of the program by offering courses. Those courses were fully funded for two years by extramural funds awarded by the U.S. Dept. of Labor's Rural Development program. The program became funded by the college in the Fall of 2007, and was supplemented by Perkins funding. The Board of Regents provisionally approved both a Certificate of Achievement (CA) and an Associate of Science (AS) degree in Fire Science in March 2009.

As a result of a five-year review of the program, the Fire Science program has made several changes in the curriculum to strengthen the program and align better with the industry.

UH Hilo Vice Chancellor for Academic Affairs, Joni Onishi, went over the cost template in the proposal.

Regent Baxa asked about the employment history of the program's graduates. Jack Minassian, coordinator of the Fire Science Program, said that some of the graduates are in the Hawai'i County Fire Department, while others move to the Mainland and continue working in the fire service or U.S. Forest Service.

Regent Gee asked if the program has an active advisory committee. Minassian said that the organization, Big Island Wildfire Coordinating Group, which consists of the federal, state, and local fire chiefs and fire service agencies, serves as the Hawai'i Community College Fire Science Advisory Board.

Regent Gee said that both a CA and AS are offered in the program, and asked if they are inseparable. Minassian said that a few students were interested in just the CA.

Regent Gee asked about the partnership arrangement with Colorado State University, where a student can complete a Bachelor of Science degree through distance education. Minassian said that he didn't want to limit the students' opportunities. Colorado State does not charge out-of-state tuition, it has a straight tuition cost for its courses. Colorado State is a reputable institution. Regent Gee said that he is skeptical of online-only degrees, and asked if the courses were vetted. Minassian said that the degree is vetted by Colorado State.

Upon motion by Vice Chair Lee and second by Regent Gee, Hawai'i Community College's request for the Conversion of Provisional Program to Established Status for the Certificate of Achievement (CA) and Associate in Sciences (AS) Degree in Fire Science Program was unanimously approved.

University of Hawai'i System

Recap of Legislative Session

Vice President for Budget and Finance/Chief Financial Officer, Howard Todo, went over the operating budget. The net result of HB 200, which is the budget appropriation bill, was that as a System, UH got net additional general funds of \$4.7 million in the first year of the biennium, and \$2.8 million in the second year of the biennium. Several additional appropriation bills added about \$750,000.

The Capital Improvement Program (CIP) budget is almost \$174 million in the first year of the biennium budget, and \$31.5 million in the second year in general obligation bond fund money. The highlights of UH's CIP budget include: \$28 million in the first year and \$29 million in the second year for Health, Safety and Code Requirements; \$50,000 for Capital Renewal and Deferred Maintenance (CRDM); \$38 million for the Advanced

Technology Training Center at Honolulu Community College; \$10 million in general obligation bond funds and \$20 million in revenue bonds for UH Mānoa Snyder Hall Renovation; \$11.8 million for the UH West O'ahu's Allied Health and STEM building; and \$10 million to the Community Colleges for minor CIP.

Regent Matayoshi asked if there is a plan for CRDM. VP Todo said that there is hopefully enough for the first year; the Legislature has historically given more money in the supplemental budget. UH's CRDM needs ranges from \$40 to \$60 million a year. President Greenwood said that the State has helped to keep UH's backlog from getting worse, but UH is also not reducing it.

VP Todo went over three key pieces of Legislation that passed:

- SB 563: Changes the makeup of the Regents Candidate Advisory Council, and requires that the Regents elect their officers at the first Board meeting after June 30 of each year.
- HB 114: Establishes an Independent Audit Committee within the Board of Regents to include one or more members with financial expertise. It also repeals the University President's authority as the Chief Procurement Officer for construction contracts and related consultant services pursuant. It places that authority within the Dept. of Accounting and General Services (DAGS).
- SB 1388: Reduces the membership of the Board of Directors of the Research Corporation of UH (RCUH) from 10 to 8 members. Of those numbers, it reduces the numbers from the UH Board of Regents from 5 to 2. It also removes the President of the University from serving as the President of RCUH. It provides that the exemption from the Hawai'i Procurement Code with respect to construction contracts shall not apply where State funds are used and compliance is required by a bill enacted by the Legislature.

There were a number of concurrent resolutions from both sides that did not pass as concurrent resolutions.

President Greenwood noted that the ATG Report on the Legislation includes information, especially regarding the legislation regarding procurement.

VP Todo said that the budget bill includes a number of provisos, many of which have increased reporting requirements. Some have operational impact. The Administration is still analyzing the provisos.

HB 822, which would have funded the UHPA collective bargaining, did not pass, although UH hoped that it would. UH testified in favor of the bill throughout the session, and was surprised that it did not pass out of conference committee.

Chair Martinson asked about the process for vetting the provisos and planning for implementation and compliance. VP Todo said that they are being looked at now. There is a comments and recommendations form that the Governor's office sends to all impacted departments. UH expects that it will receive one on the budget. UH can make

comments, but the likelihood that the Governor will veto any part of the budget is unlikely, because that would mean a veto of the budget in its entirety.

Regent Mizuno said that there will be consequences to the College of Pharmacy request not being approved, dealing with accreditation. VP Todo said that the College of Pharmacy was one of UH's top priority. UH Hilo Chancellor, Donald Straney, said that the accreditation board meets in June or July, and UH Hilo will be found non-compliant in one of the 30 criteria – physical facilities. It will have a year to present a plan to rectify that. The accrediting agency then analyzes the plan, and if it is not satisfied, then UH Hilo would be placed on probation, which would require a teach out phase and a closure of admissions to the program.

Regent Sullivan asked about HB 200's budget restriction, section 113 (No funds, including federal funds, shall be expended to fill in the fiscal biennium 2013-2015 any temporary or permanent position unless the position is authorized by a general or supplemental appropriations act item or proviso ...), and whether it would have an impact on current hiring. VP Todo said that it does not restrict UH from hiring; it does require a reporting 14 days in advance (filling a position, making an offer, or recruiting for the position).

Regent Holzman asked about HB 114. He looked at the Hawai'i Revised Statutes, which gives the University autonomy. He asked what it means when the Legislature creates an Audit Committee that is independent. He asked who the Committee is independent from. VP Todo said that the bill was patterned around the federal bill Sarbanes–Oxley Act. Regent Holzman asked if the Legislature has the power to create Board committees, regardless of the Board's bylaws.

Acting Secretary and VP/University General Counsel Lendio asked the Board if it would like to have the discussion in public or convene in Executive Session because she would be giving a legal opinion. The Board agreed to hold the discussion in public. VP Lendio said that it goes to the heart of autonomy of the University. The Attorney General has opined to the conference committee on the budget on two specific budget provisos that were passed by the Legislature, indicating that they were unconstitutional because they infringed upon the University's autonomy. With regard to the particular bill, she is unsure of what the Attorney General will say. It has indicated to the University that its opinion to the Governor on this particular bill is confidential to the Governor. The University has not formally requested an opinion from the Attorney General at this point in time. In the two budget provisos that were passed and opined upon by the Attorney General, there were very strong opinions that the budget provisos did infringe upon the autonomy of the Board of Regents.

Regent Holzman said that the Board is willing to comply with the budget proviso regarding the Independent Audit Committee. Vice Chair Lee agreed. Regent Holzman said that the ability of the Legislature to go beyond the Board's own bylaws and create committees is a troublesome issue.

Regent Moore said that assuming the procurement portion of HB 114 applies only to construction projects. The number of UH contracts is repair and maintenance work. VP

Todo said that would require that DAGS agrees that a project is a repair and maintenance contract.

Regent Mizuno asked about existing and ongoing construction projects. VP Todo said that it is unclear to him.

Chair Martinson said that a lot of work needs to be done to interpret the budget provisos.

Regent Holzman asked about SB 1388. He asked if there is an affiliation agreement between RCUH and the University. VP Todo answered affirmatively. Regent Holzman asked whether, with the change in the number of Regents serving as directors, it would amend the affiliation agreement. VP Todo said that the agreement might not require a change, but the impact would be on UH's Consolidated Financial Statements, which include RCUH. If the Regent participation on the RCUH Board decreases (currently the five Regents on the RCUH Board constitute half of the RCUH Board), it may change the rationale of consolidating RCUH's financial statements with the University's. UH will look at that again.

Chair Martinson said that the Board would be convening in Executive Session. One of the items on the agenda is the selection of the next President. The Board would convene in Executive Session because it may potentially discuss names, which is confidential. The intention of the Board is that the process of the selection will be public.

VIII. EXECUTIVE SESSION

Upon motion by Regent Matayoshi and second by Vice Chair Lee, the Board unanimously approved convening in executive session, pursuant to HRS §92-5(a)(2)(3)(4). The Board convened in executive session at 12:42 p.m. Following a motion to come out of executive session by Regent Dean and second by Regent Mizuno, which was unanimously approved, executive session was adjourned at 5:38 p.m.

IX. ITEMS FOR BOARD ACTION – PART B

University of Hawai'i System

Approval of Recommendations for Tenure and Promotion

Committee on Personnel Affairs Chair, Regent Matayoshi, said that the Committee met on May 6, 2013 to review the process of tenure and promotion. She moved to approve that the Board approve the tenure and promotion recommendations in Attachment B-1. Regent Shigemoto seconded the motion, and the recommendations for Tenure and Promotion were unanimously approved.

X. PERSONNEL ACTIONS

Upon motion by Regent Dean and second by Regent Kudo, Attachment B-1 was unanimously approved.

Chair Martinson read the following statement regarding the Presidential selection process:

“The Board respects President Greenwood's decision to retire and truly appreciates all of her hard work and many successes during her 4 years at the University of Hawai'i. As the University transitions to new leadership, we will work diligently to lay the ground work for her successor.

The Board met this afternoon to discuss the initial steps toward selecting the University's new president. This is THE most important decision of the Board of Regents. Before developing the search process, we need to define 'where we are' and 'where we want to go.' It is the first step in conceptualizing the type of person who should lead UH and will be the foundation for all of our decisions. In doing so, the Board will exercise careful consideration in organizing a process that is inclusive of all of our stakeholders.

It is imperative that the people who value the University - as we do - have a voice and we appreciate the value that it will bring to our decision making. The Board takes ownership of this search and will put a plan in place. We will hold meetings in the upcoming weeks to determine our next steps - one of which will be the formulation of a selection committee that will be comprised of Board members.”

XI. ANNOUNCEMENTS

Chair Martinson announced that the next regular Board of Regents' Meeting is Thursday, July 16, 2013, at the University of Hawai'i's Cancer Research Center.

XII. ADJOURNMENT

There being no further business, Regent Kudo moved and Regent Mizuno seconded the motion, and with unanimous approval, the meeting was adjourned at 5:47 p.m.

Respectfully Submitted,



Darolyn H. Lendio, Esq.
Acting Executive Administrator and
Secretary of the Board of Regents